Army Advances Better Buying Power

By Kris Osborn

(Washington, D.C.) –The U.S. Army has achieved significant cost savings and cost avoidance as a result of its implementation of Better Buying Power, an initiative led by the Office of the Under Secretary of Defense, Acquisition, Technology and Logistics, aimed at improving the management of acquisition programs, incentivizing competition, eliminating redundancy and achieving the maximum amount of savings, senior service officials explained.

In place since 2010, BBP is also geared toward incentivizing innovation and productivity while improving the capabilities of the acquisition workforce and strengthening the tradecraft of acquisition services, among other things.

"Better Buying Power has produced large savings. We're continuously looking to optimize the use of the Army's money," said Mr. Tom Mullins, Deputy Assistant Secretary of the Army–Plans, Programs and Resources, Office of the Assistant Secretary of the Army, Acquisition, Logistics and Technology (ASA (ALT)).

Some of the key tenets of the program include specific efforts to craft and implement policies that build affordability and competitive procurement strategies into the structure of acquisition programs, said Mr. Wimpy Pybus, Deputy Assistant Secretary of the Army, Acquisition Policy and Logistics, ASA (ALT).

An integral part of the achieved savings can be directly attributed to a portion of BBP referred to as the Should-Cost/Will-Cost program; this effort encourages Program Managers to explore enterprising and innovative program management methods and strategies designed to gain the maximum value from dollars invested. The "Will-Cost" is the initial baseline or expected cost of a given program or technological development, whereas the "Should-Cost" is, in essence, a lower cost achieved through successful implementation of efforts designed to improve developmental efficiency.

The available data from the Army's Should Cost FY12 Closeout highlight substantial successes with the BBP program since its inception. For instance, the Army achieved millions in savings with the procurement of the Enhanced Performance Round by lowering the production unit cost of the M855A1/M856A1 lead-free 5.56mm ammunition.

"For years we built 5.56mm ammo with a lead core with brass wrapped around the outside. It will have less impact on the environment than lead in the long run, lower cost material than lead and an improvement in performance of the round," Mullins explained.

Finding and executing the proper contracting mechanism for each program is a considerable part of establishing greater efficiency through BBP, Mullins explained. In fact, the Army's multi-year helicopter procurement contracts for the CH-47 Chinook and the UH-60 Black Hawk are expected to result in savings. Multi-year contracts improve acquisition efficiency by allowing vendors to establish a stable supply and production schedule–all while securing a lower unit price, he added.

"BBP is taking a look at all of your tool kit of things you can do–and then assessing which ones are applicable to the program. We've seen success in aviation with Black Hawk and Chinook. The potential savings there are enormous," Mullins added.

Other instances of BBP success include millions saved on programs such as Excalibur 155mm artillery rounds, modifications to Abrams and Stryker procurement contracts designed to reduce costs and competitive acquisition strategies with the Counter Rocket Artillery and Mortar program.

BBP also plays a role when it comes to the Army's Science and Technology (S&T) development. S&T implements a number of the tenants of BBP–specifically achieving affordable programs, controlling costs throughout the product lifecycle and promoting effective competition. Much of what we do within the S&T community can help achieve system affordability. By designing technologies with reliability and manufacturability in mind, we can reduce the cost and time associated with redesign when these technologies transition from the S&T domain into formal Programs of Record. This results in lower developmental costs and potentially faster acquisition, said Ms. Mary Miller, Acting Deputy Assistant Secretary of the Army–Research and Technology, ASA (ALT). By engaging Program Managers early

in the technology development process and collaboratively defining technology, performance goals and acceptance testing, we can facilitate a more successful insertion of mature technology for emerging capabilities, she explained.

"When developing new capabilities, one of the key things we need to do is make sure we reach technical maturity prior to integration. This is an essential element of reducing risk and eliminating excess costs," Miller said.

Better Buying Power 2.0

The Army, which has had great success thus far with the BBP program, is both cataloguing billions in cost savings since the program's inception while simultaneously preparing to implement the next iteration of the initiative–referred to as Better Buying Power 2.0.

"Better Buying Power is not a one-time event and you can be assured that neither is BBP 2.0–we must make it part of our culture. We have more reason than ever to believe that the efficiencies we seek can be realized based on the successes we've accomplished to date. It is imperative that we stay the course in order to deliver even greater value to our taxpayers and essential capabilities to the Warfighters," wrote Frank Kendall, Under Secretary of Defense, Acquisition, Technology and Logistics, in a Nov. 6 Memorandum for the Defense Acquisition Workforce.

BBP 2.0 seeks to build upon and advance the core tenets of the initial BBP effort and further instill a culture of cost-consciousness, increase procurement opportunities for small business and more efficiently execute affordable acquisition programs.

In addition to its many other components, BBP 2.0 is also focused on sustainment and life-cycle management, meaning PMs are encouraged to consider the entire life or span of a technology or program's maturation such that they account for its entire life-cycle.

BBP 2.0 also aims to build upon the initial program's emphasis upon incentivizing industry by aligning profitability with contractor performance; in fact, this effort speaks to one of DoD's broad BBP goals, which is to emphasize that the program is designed to increase productivity and by no means reduce industry profits.

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